

I am not here to defend Rupert Murdoch. I do not know him, and have nothing to do with him. But I will simply say this also: that the facts are that Rupert Murdoch gets no tax benefits out of this provision even though it was engineered by a Democrat Senator from Illinois and put in the bill by a Democrat Senator from Illinois. The benefit does not go to Rupert Murdoch. He gets no tax break out of this provision, and the facts should be presented to the American people rather than all of this continued rhetoric with all of the props of golden crowns and all of the other things that are emotionally presented to this House.

We should deal with the facts as they exist.

Mrs. SCHROEDER. Will the gentleman yield?

Mr. ARCHER. I am happy to yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Is the gentleman saying the stories then in the press are incorrect, because they say they are validated?

Mr. ARCHER. I have seen a lot of stories in the press that are inaccurate.

Mrs. SCHROEDER. Is this story incorrect?

Mr. ARCHER. Mr. Speaker, I reclaim my time.

The gentlewoman has a press report that she is holding up for the benefit of this House, and we all know that you cannot rely on the accuracy of press reports. They pick up on certain items that are presented to them, and then they are rapidly put into print. It does not mean they are accurate.

And in this case, the accuracy of the situation is as I stated, and I am not here to defend Rupert Murdoch. But I think the gentlewoman, the Senator from Illinois, who put this into the conference report certainly should be asked. I do not think she was trying to do any sort of a favor for Rupert Murdoch, and as she presented it, she was not trying to give a special favor to anybody, but simply to say that the binding-contract rule to prevent retroactivity should apply with a certainty to this particular transaction.

If this had not been a binding contract, there is no question in my mind that it would never have been embraced in the Senate offer and would never have gotten into the conference report. But it is also very, very important to know that this has absolutely nothing to do with the tax bill and spending reduction bill that will be coming on the floor of this House this week.

So I just wanted to be here to set the record straight on this issue.

FURTHER SETTING THE RECORD STRAIGHT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute.)

Mrs. SCHROEDER. Mr. Speaker, I just wanted to say that my point was, No. 1, Members did not know that the

House had yielded to the Senate on this issue when this bill came to the floor. This was portrayed as a bill in which we were trying to help people get their tax credit back for health care. That is what we were told about.

We were told this was done away with across the board. We were not told there was one special little loophole, oops.

Now, I do not know if the press report is correct or not, but it says it was verified by six Republican staffers. So that is quite a few.

Maybe they were all wrong. I do not know. I am not on the committee.

But as a Member of this House, I resent it when we have a conference report come back with a goodie in it and we are not told about it.

Mr. MILLER of California. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I am happy to yield to the gentleman from California.

Mr. MILLER of California. Mr. Speaker, the whole point of the provision of the Ways and Means bill was to cancel these business deals, to cancel them retroactively, and Rupert Murdoch was able to hold on to his deal, and nobody else was, and those are the facts. Those may not be the facts the gentleman from Texas likes, but those are the facts.

THE FACTS ABOUT HAITI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, last Friday, on March 31, President Clinton and President Jean-Bertrand Aristide and the Secretary General of the United Nations presided over ceremonies in Haiti for the transition from the multinational force led by the United States to the U.N. force. It was an impressive ceremony where the nations of the world, many contingents of the nations of the world, agreed to submit and march under the U.N. banner in order to continue the progress in Haiti toward democracy.

In the United States, this historic landmark received only moderate attention, but throughout the world and the international community, where most of the people of this planet live in underdeveloped nations, there was great rejoicing. I think that this was a special occasion where a new and special high standard was set for the new world order. A model for protecting democracy has been set in place as we go into the new world order.

The U.S. Government also has given new meaning to the concept of superpower. The U.S. superpower was used in this case to nurture democracy. The U.S. superpower was used to give the poorest nation in this hemisphere an opportunity to be born again. The U.S. superpower has demonstrated unmatched generosity and compassion. This is a superpower that has earned the right to prosper for a thousand

years. This is a superpower that all Americans should fight to maintain.

The hard job has been done. The great risks have been taken. It took a lot of guts by President Clinton to make unpopular decisions. Troops went into Haiti at great risk, anticipating great risk at first, but the decision was made despite that, and we have moved the situation with almost no casualties. The great risks have been taken.

But now a very important part of the job remains, and that is to help Haiti through a period of economic development. The nations of the world have made a commitment in Paris several months ago; nearly \$1.9 billion was committed to various activities to improve the Haitian economy, to jump start the economy until the private sector could take over.

It is unfortunate that despite the fact that this decision was made several months ago, almost no dollars have flowed to Haiti. The bureaucrats of the world, the bureaucrats in the various financial world organizations have moved at such a slow pace that they are tending to smother the greatness of this magnificent international deed.

I would like to quote from Strobe Talbott's report to the Congress some time ago:

For its part, the international community is doing its fair share by providing aid and technical assistance. Prior to the deployment of the multinational force, international donors and lenders met in Paris in August and determined that Haiti would need \$650 million in the first year after democracy was restored. This group met again in Paris last month to review the progress that has been made since President Aristide's return, and the general assessment of this progress was so positive that the donors actually pledged \$1.2 billion, nearly double what had originally been proposed. It is anticipated that \$900 million of that \$1.2 billion will be available over the next 12 to 18 months.

That was anticipated several months ago, but it has not happened. The bureaucrats are not moving the paper. The bureaucrats, because of their indifference or maybe laziness, what ever, the bureaucrats are threatening to smother the progress toward reestablishment of democracy in Haiti.

Troops have been there. Hard political decisions have been made. All has been put in place, but very little is happening.

I think Mr. Strobe Talbott again summed up the situation very well:

Mr. Chairman, the best defense of our Haiti policy is a simple one: We intervened in Haiti because it was in our national interest. We intervened after every other alternative had been exhausted, and we intervened because it was the right thing to do. Mr. Chairman, the American intervention in Haiti has been successful thus far. Now we must see the job through, and that means until the completion of the United Nations mission 12 months from now. As I have already stressed, we cannot solve Haiti's basic problems. The Haitian people must solve it themselves. But they will do it with the help of the international community.

It would be unwise, most unfortunate, if the international community's bureaucrats, executives, failed to do their job at this point.

Let us move the paper. Let us do the job. Let us complete the job of restoring Haiti's democracy. Let us do what is necessary to rebuild the economy of Haiti.

□ 1845

BALANCING OUR BUDGETS IN A POSITIVE MANNER

The SPEAKER pro tempore (Mr. KINGSTON). Under a previous order of the House, the gentleman from Florida [Mr. SCARBOROUGH] is recognized for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, this week as we start talking about the very important tax debate and the budget debate, I am looking forward to hearing positive discussions on where we move this country over the next 5, 10, 15 years, to see if we will finally come to grips with the economic uncertainties and try to balance our budgets and at the same time try to move forward in a positive manner to make sure we put money back into the pockets of middle-class, working Americans who for too long had seen their money sucked up in Washington and they see absolutely no return for their money.

Unfortunately, instead of this afternoon of hearing discussions along those lines, we have heard that the Republicans have killed school lunch programs, we have heard that the Republicans have killed Big Bird, we have heard that the Republicans are slashing education funding.

Well, let me tell you something: All three of those facts are simply misrepresentations, and they are wrong.

First of all, you are not cutting spending on a bureaucratic program if you spend more money next year than you spent the previous year. Take, for instance, funding for school lunch programs. Over the next 4 years, under the current proposals that passed through this House, we will be spending more money on school lunch programs than we spent in the previous year. Maybe in Washington there is some sort of new math that I do not understand. I am a freshman here. Maybe I am a little shrill, I do not know. The fact of the matter is if you spend more money next year than you spent last year, in middle-class America, where I come from, or in small businesses across the country where I worked, that is called a spending increase. Let us reframe the debate and let us get serious about it.

When you come to the floor and talk about killing Big Bird, when the fact of the matter is the Republican majority voted against killing Big Bird, so to speak, when the Crane amendment was on the floor, then you are not killing Big Bird.

The fact of the matter is it is more Washington-speak, more emotional dribble that is supposed to inflame people and get everybody excited and

aroused in the debate, to give this false impression that we are cutting all these spending programs.

I am humored by calls out there where the question is asked, "Do you believe Republicans are cutting too much?" Some people are saying "yes" because of the debate we are hearing on the floor. The fact of the matter is we have not cut anything yet. We have not gone far enough.

You take educational funding, for instance. We hear talks about how we are bold and cruel and going to be cutting education. Well, let me tell you something, you can be for children and you can be for education without being for a huge Federal educational bureaucracy that has wasted money over the past 20 years and provided little, few results.

Take the Department of Education bureaucracy in Washington, for instance. It was established in 1979. Most everybody understands that it was a payoff from Jimmy Carter to the teachers union, the NEA, to have their own Federal bureaucracy up here. But the fact of the matter is, if you look at the money that has been poured into that bureaucracy over the past 20 years and look at the results, you will see that our children are not getting the best bang for the buck. The fact of the matter is in the years since the Department of Education bureaucracy was established, test scores have gone down, violence in school has gone up, dropout rates have gone up and every other measure by which we measure our educational institutions have shot down.

Let us reframe the debate and say it this way: Because I care for children, because I care for education, I am going to be against blowing more money on a Federal educational bureaucracy, and I am going to allow parents and teachers and students and people in the individual communities to have more of the say-so over how we teach our children than a bureaucrat in Washington.

While we are at it, we can reframe the debate on all these other Federal agencies that have exploded over the past 30 years since the Great Society. We have spent \$5 trillion on Lyndon Johnson's so-called war on poverty that ended up being a war on the family, ended up being a war on hard work, and a war on personal discipline, and so forth.

We have to reframe the debate and speak straight to the American people. We owe them that at the least.

REDUCING TAXES: THIS IS THE WEEK THAT WAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, after we finished this week, a lot of people are going to be saying, "This is the week that was." This is the week

that we are talking about reducing taxes.

You know, a year and a half ago this body increased taxes over the 5 years of the budget by \$25 billion. Economists have come to our budget committee and said tax increases are a depressant on economic growth and job growth.

So some of us thought that it would be good in the Contract With America to take away some of those giant tax increases from a year and a half ago. So the question was: How do we reduce some of those taxes in a way that is going to encourage economic growth, job growth in this country?

Well, I was looking at one bill that was concerned about what the United States was doing to encourage savings and investment as opposed to other countries of the world. Mr. Speaker, that is what this chart shows. I am not sure that everybody can see the chart, but let me just briefly go through the chart that shows that, compared to the other G-7 countries, the industrialized nations of this world, the United States ranks dead last in savings, we rank last in our investment in new machinery and equipment per worker, and, not surprisingly, we rank last in the increase of productivity.

So if we go to all of the economic thought that is prevailing now of what should be done to increase jobs, the suggestion is that we encourage savings and we encourage investment in that new machinery and equipment, that when it is put into the hands of those workers, it makes those workers more efficient, more productive, and ultimately increases our competitive position with the world.

That is why I introduced the bill, Neutral Cost Recovery, 2 years ago, to deal with the unfairness of the way our tax code treats those businesses that buy that machinery and equipment.

The legislation coming out in the tax bill that we are going to be considering for the next 3 days does essentially three things: It increases expensing. In other words, that amount of investment in capital machinery and equipment and facilities that is allowed to be deducted as an expense, as a business expense in the year of purchase, that is increased to \$35,000.

No. 2, that the remaining amount of that capital investment that is put on the depreciation schedule will be indexed for inflation and the time value of money. In other words, right now our Tax Code requires that you spread out toward the useful life of that property, 3, 5, 10, 15 years, that you spread out that deduction in what is called the depreciation schedule.

Neutral Cost Recovery indexes what you are otherwise allowed to depreciate for inflation.

The third element is something that has been very unfair to the businesses in this country; that is the alternative minimum tax.

So what we do to a business, when they figure up their tax and they have not made money that year, we again